

Medical Equipment

Overview

Unit: US\$ billions

	2011	2012	2013 (estimated)
Total Market Size	6,056	6,238	6,663
Total Local Production	2,415	2,487	2,661
Total Exports	0,759	0,781	0,847
Total Imports	4,400	4,532	4,849
• Imports from the U.S.	1,320	1,450	1,551

Total Market Size = US\$6,328 billion

Data Sources: ABIMED, ABIMO

Total Local Production: US\$ 2,487

Total Exports: US\$0,781

Total Imports: US\$4,532

Imports from U.S.: US\$1,450

Brazil is the largest medical equipment market in South America, and until 2011 presented an annual growth rate of 15% to 19%. The total market for medical equipment in Brazil should continue to expand through 2013. It is expected that this segment will recover the double digit annual growth in 2014. Brazil is both a major medical equipment producer and importer. The industry is comprised of a number of related products and services, including:

- Medical equipment and devices
- Dental equipment and products
- Radiological and diagnostic imaging equipment
- Laboratory equipment

Brazilian medical equipment revenues in 2012 reached an estimated US\$6.3 billion, which represents an increase of 4.5% from the previous year. The United States accounts for approximately 30% of the import market, mainly by using local agents, distributors and importers who sell to hospitals and clinics. The market for electro medicine equipment is around US\$200 million, which represents approximately 50% of total sales in Latin America. In 2012, imports for In Vitro Diagnostics reagents and devices increased approximately 10%, reaching sales of US\$210 million.

There are few high-quality Brazilian manufacturers producing advanced medical equipment, thus forcing Brazil to rely on imports, a trend that will continue for quite some time. Local buyers view U.S. and other foreign products (mainly Canadian and European) as having high quality and reliability. Thus, financing terms often become the differentiating criteria in making a sale.

Anvisa is the National Agency of Sanitary Surveillance that regulates registration of medical related products. Risk class III, IV and some II may demand international inspections for GMP. Electrical and battery powered devices must receive certifications from Inmetro, the Brazilian Conformity Mark.

Sub-Sector Best Prospects

Brazil's strengthened currency has meant that private and public hospitals have greater purchasing power. With continued expansion of Brazil's private health care sector, the market should grow. Approximately 80% of all products used in hospitals have no similar manufacturing in the country and must be imported. New opportunities for US exporters abound, particularly for:

- More advanced medical equipment
- Disposables
- Diagnostic devices
- Implants and components

Opportunities

The market for home health care products will maintain its expansion for the next years. Brazilian health insurance companies are responsible for paying 99% of the costs related to home care treatment.

The Government of Brazil issued the Decree 7.767 that sets margin of preference for local made products over imported goods in public purchases. This will affect procurement processes of 77 materials and products for hospitals. The margin granted ranges from 8% to 25%, according to the level of technology added in the product, respectively. U.S. exporters should consider the opportunities offered by Mercosur for companies that manufacture or assemble medical devices in Brazil and use it as a "spring board" for export into other South American countries.

Since compulsory product registration before sale is required for all Mercosur countries, US exporters should consult a local lawyer/consultant before signing a contract with any agent/distributor.

Web Resources

ANVISA - Brazilian Agency for Sanitary Surveillance: <http://www.anvisa.gov.br>

ABIMO - Brazilian Assoc. of Dental, Medical and Hospital Equipment: www.abimo.org.br

ABIMED – Brazilian Assoc. of Importers of Medical Equipment and Devices www.abimed.org.br

Major Trade Shows:

- Hospitalar – www.hospitalar.com - The largest medical event in Latin America.
- MD&M – www.mdmbrasil.com – The largest medical tech show in Latin America.
- Reabilitacao – www.reabilitacao.com – Event for orthopedic and rehab products.

For more information about export opportunities in this sector contact US Commercial Service Industry Specialist Jefferson Oliveira at: jefferson.oliveira@trade.gov.